

**APPLICABILITY OF FEDERAL SECURITIES LAWS
TO CERTAIN BANK SECURITIES AND BANK SPONSORED SECURITIES ACTIVITIES**

1. Registration of Bank Securities

Securities Act of 1933

Exempts any security issued or guaranteed by a bank from all except fraud provisions (§ 3(a)(2)).

Securities Exchange Act of 1934

Bank securities must be registered with the appropriate bank regulatory agency which administers and enforces Secs. 12, 13, 14(a), (c), (d), (f), and 16 in a manner substantially similar to the SEC (§ 12(i)).

2. Bank as Broker

Securities Exchange Act of 1934
Exempt from definition (§ 3(a)(4)).

Investment Company Act of 1940
Exempt from definition (§ 2(a)(6)).

Investment Advisers Act of 1940
Exempt from definition (§ 202(a)(3)).

3. Bank as Dealer

Securities Act of 1933
No exemption from definition of dealer (§ 2(12)).

Securities Exchange Act of 1934
Exempt from definition (§ 3(a)(5)).

Investment Company Act of 1940
Exempt from definition (§ 2(a)(11)).

Investment Advisers Act of 1940
Exempt from definition (§ 202(a)(7)).

4. Bank as Underwriter

Securities Act of 1933
No exemption from definition (§ 2(11)).

Securities Exchange Act of 1934
Not exempt from definition (§ 3(a)(20)).

Investment Company Act of 1940
No exemption from definition (§ 2(a)(40)).

Investment Advisers Act of 1940

No exemption from definition (§ 202(a)(20)).

5. Bank as Principal Underwriter

Investment Company Act of 1940

No exemption from definition (§ 2(a)(29)).

6. Bank as Clearing Agency

Securities Exchange Act of 1934

No exemption from definition (§ 3(a)(23)(A)); however, a bank is not to be deemed a clearing agency § 3(a)(23)(B)).

7. Bank as Transfer Agent

Securities Exchange Act of 1934

No exemption from definition (§ 3(a)(25)).

8. Bank as Municipal Securities Dealer

Securities Exchange Act of 1934

No exemption from definition for banks (§ 3(a)(30)); however, § 3(a)(30)(B) allows a separately identifiable department or division and not bank itself to register as a municipal securities dealer.

9. Bank as Municipal Securities Broker

Securities Exchange Act of 1934

Exempts banks from definition of broker (§ 3(a)(4)).

10. Bank as Investment Adviser

Securities Exchange Act of 1934

Incorporates Advisers Act definition (§ 3(a)(20)).

Investment Company Act of 1940

No exemption from definition; but § 2(a)(20) limits term to refer only to investment advisers of investment companies.

Investment Advisers Act of 1940

Exempts from definition bank, or any bank holding company as defined in the Bank Holding Company Act of 1956, which is not an investment company (§ 202(a)(11)).

11. Bank as Investment Company

Securities Exchange Act of 1934

Incorporates Investment Company Act definition (§ 3(a)(19)).

Investment Company Act of 1940
Exempt from definition (§ 3(c)(3)).

Investment Advisers Act of 1940
Incorporates Investment Company Act definition of investment company (§ 202(a)(12)).

12. Collective Trust Fund for Fiduciary Accounts

Securities Act of 1933
Exempts interests or participations in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by a bank in its capacity as trustee, executor, administrator, or guardian from all except fraud provisions (§ 3(a)(2)).

Securities Exchange Act of 1934
Includes in definition of exempted security "interests or participations in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian" (§ 3(a)(12)).

Investment Company Act of 1940
Exempts common trust funds or similar funds maintained by a bank exclusively for the collective investment and reinvestment of funds contributed thereto by the bank in its capacity as a trustee, executor, administrator, or guardian (§ 3(c)(3)).

13. Single and Collective Trust Fund for IRC

§ 401 "Qualified" Retirement Plans Which Do Not Contain Voluntary Employment Contributions

Securities Act of 1933
Exempts "Interests or participations in a single or collective trust fund maintained by a bank ... issued in connection with (a) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under Section 401 of the Internal Revenue Code of 1954" from all except fraud provisions (§ 3(a)(2)).

Securities Exchange Act of 1934
Includes in definition of exempted security "interests or participations in a collective trust fund maintained by a bank ... issued in connection with (A) a stock bonus, pension or profit-sharing plan which meets the requirements for qualification under Section 401 of Internal Revenue Code of 1954" (§ 3(a)(12)). Exempts from registration "interests or participations in any collective trust funds maintained by a bank ... issued in connection with (i) a stock-bonus, pension, or profit-sharing plan which meets the requirements for qualification under Section 401 of the Internal Revenue Code of 1954" (§ 12(g)(2)(H)).

Investment Company Act of 1940
Exempts from definition of investment company "employees" stock bonus, pension, or profit-sharing trust which meets the requirements for qualification under Section 401 of the Internal Revenue Code of 1954; or any collective trust fund maintained by a bank consisting solely of assets of such trusts" (§ 3(c)(11)).

14. Single and Collective Trust Fund for IRC

§ 401 "Qualified" Retirement Plans Which Contain Voluntary Employee Contributions

Securities Act of 1933

Contains no exemption for interests or participants in a single or collective trust fund maintained by a bank if "an amount in excess of the employer's contribution is allocated to the purchase of securities (other than interests or participations in the trust or separate account itself) issued by the employer or by any company indirectly or indirectly controlling, controlled by or under common control with the employer" (§ 3(a)(2)).

Securities Exchange Act of 1934

Includes in definition of exempted security "interests or participants in a collective trust fund maintained by a bank ... issued in connection with ... a stock bonus, pension or profit-sharing plan which meets the requirements for qualification under Section 401 of Internal Revenue Code of 1954" from all but fraud provisions (§ 3(a)(12)). Exempts from registration "interests or participations in any collective trust funds maintained by a bank ... (which) are issued in connection with ... a stock-bonus, pension, or profit-sharing plan which meets requirements for qualification under Section 401 of the Internal Revenue Code of 1954" (§ 12(g)(2)(H)).

Investment Company Act of 1940

Exempts from definition of investment company "employees' stock bonus, pension, or profit-sharing trusts which meet the requirements for qualification under Section 401 of the Internal Revenue Code of 1954; or any collective trust fund maintained by a bank consisting solely of assets of such trusts" (§ 3(c)(11)).

15. Single and Collective Trust Fund for HR-10 or Keogh Plans

Securities Act of 1933

Contains no exemption since only interests or participations in single or collective trust funds maintained by a bank which cover employees some or all of whom are employees within the meaning of Section 401 of Internal Revenue Code of 1954 are exempted (§ 3(a)(2)).

Securities Exchange Act of 1934

Contains no exemption because the definition of exempted security expressly excludes "interests or participations in collective trust funds maintained by a bank ... which cover employees some or all of whom are employees within the meaning of Section 401(c)(1) of the Internal Revenue Code of 1954" (§ 3(a)(12)). However, interests in Keogh Plans are exempt from registration under § 12(g)(2)(H) which exempts "any interest or participation in any collective trust funds maintained by a bank ... (which) is issued in connection with (i) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualifications under Section 401 of the Internal Revenue Code of 1954" (§ 12(g)(2)(H)).

Investment Company Act of 1940

Exempts from definition of investment company "employees' stock bonus, pension, or profit-sharing trusts which meet the requirements for qualification under Section 401 of the Internal Revenue Code of 1954; or any collective trust fund consisting solely of assets of such trusts": (§ 3(c)(11)).

16. Individual Retirement Accounts (IRA's) and Collective Trust Funds for IRA's

Securities Act of 1933

No statutory exemption; however, SEC staff has taken a "No Action" position and registration is not required so long as (a) the assets of each account are invested solely in specific mutual fund shares, (b) the bank has no investment discretion over the assets of the IRA, and (c) there is no pooling of assets of more than one IRA.

Securities Exchange Act of 1934

No exemption.

Investment Company Act of 1940

No exemption; however, SEC staff has issued no action letters as described under the Securities Act of 1933.

17. I.R.C. Section 403(b) Custodial Accounts

Securities Act of 1933

Same as 16, above.

Securities Exchange Act of 1934

No exemption.

Investment Company Act of 1940

Same as 16, above.

18. Other Collective Trust Funds, Including "Commingled Agency Accounts"

Securities Act of 1933

No exemption.

Securities Exchange Act of 1934

No exemption.

Investment Company Act of 1940

No general exemption; however, there is a limited exemption excepting from the definition of investment company "any common trust fund, or similar fund, established before the effective date of the Revenue Act of 1936 (June 22, 1936) by a corporation which is supervised or examined by State or Federal authority having supervision over banks, if a majority of the units of beneficial ownership in such fund, other than units owned by charitable or educational institutions, are held under instruments providing for payment of income to one or more persons and of principal to another or others" (§ 3(c)(3)).